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**State/Territory Name: Colorado**

**State Plan Amendment (SPA) #: 19-0019**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
1961 Stout Street, Room 08-148  
Denver, CO 80294



**Denver Regional Operations Group**

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December 17, 2019

Kim Bimestefer, Executive Director  
Department of Health Care Policy & Financing  
1570 Grant Street  
Denver, CO 80203

Dear Ms. Bimestefer:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 19-0019. This amendment adds an Alternative Payment Model (APM) to the Physician Service reimbursement page in Attachment 4.19-B: Methods and Standards for Establishing Payment Rates.

Please be informed that this State Plan Amendment was approved today with an effective date of October 1, 2019. We are enclosing the CMS-179 and the amended plan page(s).

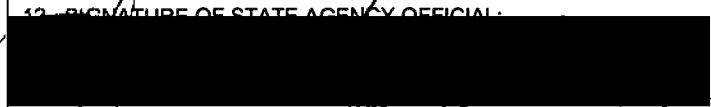

If you have any questions concerning this amendment, please contact Curtis Volesky at (303) 844-7033.

Sincerely,



Richard C. Allen  
Director, Western Regional Operations Group  
Denver Regional Office  
Centers for Medicaid and CHIP Services

cc: Dr. Tracy Johnson, Colorado  
Laurel Karabatsos, Colorado  
John Bartholomew, Colorado  
Russell Ziegler, Colorado  
Whitney McOwen, Colorado  
Jami Gazarro, Colorado

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER: <b>19 - 0019</b>	2. STATE: <b>COLORADO</b>		
		3. PROGRAM IDENTIFICATION: <b>TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>			
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: <b>October 1, 2019</b>			
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  NEW STATE PLAN                      AMENDMENT TO BE CONSIDERED AS A NEW PLAN <b>X AMENDMENT</b>					
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate transmittal for each amendment</i> )					
6. FEDERAL STATUTE/REGULATION CITATION: <b>SOCIAL SECURITY ACT 1905(a)(5)(A) / 42 CFR 440.50(a)</b>		7. FEDERAL BUDGET IMPACT: <b>a. FFY 2019-20: \$0</b> <b>b. FFY 2020-21: \$0</b>			
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – Other Types of Care – Effective Dates for Reimbursement Rates for Specified Services, Page 1 of 3</b>  <b>Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – Other Types of Care – Item 5.a. Physician Services, Pages 1-3 of 3</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  <b>Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – Other Types of Care – Effective Dates for Reimbursement Rates for Specified Services, Page 1 of 3 (19-0020)</b>  <b>Attachment 4.19-B – Methods and Standards for Establishing Payment Rates – Other Types of Care – Item 5.a. Physician Services, No pagination (17-0005)</b>			
10. SUBJECT OF AMENDMENT:  <b>Adds an Alternative Payment Model (APM) to the Physician Service reimbursement page. The APM is a payment model to make differential fee-for-service payments based on the provider's performance.</b>					
11. GOVERNOR'S REVIEW ( <i>Check One</i> ):  GOVERNOR'S OFFICE REPORTED NO COMMENT <b>X OTHER, AS SPECIFIED</b>  COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <b>Governor's letter dated 29 March, 2018</b>  NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL					
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  <b>Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818</b>  <b>Attn: Lauren Reveley</b>			
13. TYPED NAME: <b>Laurel Karabatsos</b>					
14. TITLE: <b>Interim Medicaid Director</b>					
15. DATE SUBMITTED: <b>September 30, 2019</b>					
<b>FOR REGIONAL OFFICE USE ONLY</b>					
17. DATE RECEIVED <b>September 30, 2019</b>		18. DATE APPROVED <b>December 17, 2019</b>			
<b>PLAN APPROVED – ONE COPY ATTACHED</b>					
19. EFFECTIVE DATE OF APPROVED MATERIAL <b>October 1, 2019</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 			
21. TYPED NAME <b>Richard C. Allen</b>		22. TITLE <b>Director, WROG</b>			
23. REMARKS					



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

STATE OF COLORADO

Attachment 4.19-B  
Introduction  
Page 1 of 3

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-  
OTHER TYPES OF CARE

Effective Dates for Reimbursement Rates for Specified Services

Reimbursement rates for the services listed below on this Attachment 4.19-B introduction page are effective for services provided on or after the corresponding effective date. All payment rates can be found on the official website of the Department of Health Care Policy and Financing at <https://www.colorado.gov/hcpf/provider-rates-fee-schedule>

Service	Attachment	Effective Date
3. Laboratory and Radiology Services	Attachment 4.19-B	July 1, 2019
4.b. Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services	Attachment 4.19-B, Page 1 of 1	July 1, 2019
4.c. Family Planning	Attachment 4.19-B	July 1, 2019
4.d. Tobacco Cessation Counseling for Pregnant Women	Attachment 4.19-B	July 1, 2019
5.a.2.a. Physician Services – Health First Colorado fee schedule	Attachment 4.19-B, Page 1 and 3 of 3	July 1, 2019
5.a.2.b. Physician Services – Alternative Payment Model Code Set	Attachment 4.19-B, Pages 1-3 of 3	July 1, 2020
5.b. Medical and Surgical Services Furnished by a Dentist	Attachment 4.19-B, Page 1 of 1	July 1, 2019
6.d. Services Provided by Non-Physician Practitioners	Attachment 4.19-B	July 1, 2019
7.A.-B. Home Health Care Services	Attachment 4.19-B, Page 1 of 7	July 1, 2019
7.C. Durable Medical Equipment	Attachment 4.19-B, Pages 2a and 2b of 7	July 1, 2019
8. Private Duty Nursing Services	Attachment 4.19-B	July 1, 2019

TN No. 19-0019

Approval Date: December 17, 2019

Supersedes TN No. 19-0020

Effective Date: July 1, 2019

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –  
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5.a. PHYSICIAN SERVICES

Physician services provided by physicians, podiatrists, and optometrists shall be reimbursed at the lower of the following:

1. Submitted charges or
2. Physician services fee schedule as determined by the Department of Health Care Policy and Financing.
  - a. The Health First Colorado fee schedule includes all services. The rates are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page.
  - b. Alternative Payment Mode (APM) Code Set and fee schedule. Quality based adjustments to services in this code set are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page.
    - i. Primary Care Medical Providers (PCMP) are identified as a billing entity at a single location for services, not individual providers.
    - ii. Colorado Medicaid's Accountable Care Collaborative (ACC) divides the state into seven regions. Colorado's single State agency for administering Medicaid (the Department) contracts with a Regional Accountable Entity (RAE) in each region that is accountable for coordinating both physical health and behavioral health for its enrolled clients. Clients are mandatorily enrolled in the ACC and connected with a PCMP. The geographical location of a client's attributed PCMP determines the client's RAE assignment.
    - iii. Provider Qualifications.
      1. PCMPs participating in the ACC and meeting an APM volume threshold of \$30,000 or more per year in payments for procedures in the APM Code Set rendered between March 1, 2017 and February 28, 2018 will be paid in accordance with paragraph 5.a.2.b in State Fiscal Year 2020-2021.
      2. PCMPs participating in the Statewide Innovation Model or the Comprehensive Primary Care Plus and receive payment equal to the highest payment available to any PCMP participating in the APM.

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –  
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- iv. Beginning State Fiscal Year 2019-2020, the Department will publish a fee schedule with the base rate for the procedure codes in the APM Code Set, which will be 96% of the Health First Colorado fee schedule rate for the procedure codes and is the minimum of what any PCMP participating in the APM may receive.
- v. The APM Code Set Timeline. According to the following timeline, the Department will change payment for procedure codes in the APM Code Set based on a quality modifier determined by the PCMP's performance on quality measures in Calendar Year 2019.
  - 1. The baseline for the quality performance is Calendar Year 2018.
  - 2. Beginning October 1, 2019, PCMPs participating in the ACC and meeting an APM volume threshold of \$30,000 or more per year in payments for procedures in the APM Code Set, rendered between March 1, 2017 and February 28, 2018, will select quality measures through an online tool at <https://www.colorado.gov/pacific/hcpf/primary-care-payment-reform-3>. PCMPs may select their quality measures through January 31, 2020; this deadline may be extended by the Department for good cause.
  - 3. An APM quality modifier will be calculated by the Department of Health Care Policy and Financing between April and June 2020, for each PCMP based on the PCMP's performance on the selected quality measures in Calendar Year 2019.
  - 4. Each PCMP will receive a letter with their quality modifier prior to July 1, 2020. If the Department is delayed in calculating the quality modifier, or in sending notification to the providers, payment will follow the Health First Colorado fee schedule at paragraph 5.a.2.a.
- vi. Effective for dates of service provided on or after July 1, 2020, the quality modifier will adjust, for PCMPs participating in the APM, rates for services within the APM Code Set. The quality modifier may reduce rates for services within the APM Code Set to less than the Health First Colorado fee schedule, but will not reduce rates for services within the APM Code Set to less than APM Code Set fee schedule rate. The quality modifier may increase payment for APM Code Set services relative to the Health First Colorado fee schedule; however, increases above the Health First Colorado fee schedule shall be, in aggregate, budget neutral relative to APM Code Set service rates for PCMPs that are adjusted to be below the

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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES –  
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Health First Colorado fee schedule. Increases or decreases in provider rates will be made annually at the beginning of the state fiscal year (July 1) through provider specific changes per code. PCMPs participating in the Statewide Innovation Model or the Comprehensive Primary Care Plus will receive the highest payment available to any PCMP participating in the APM.

1. The quality measures are available on the Department's website at <https://www.colorado.gov/pacific/hcpf/primary-care-payment-reform-3>.
2. Procedures for the APM are explained on the Department's website at <https://www.colorado.gov/pacific/hcpf/primary-care-payment-reform-3>.
3. The Department will provide a web-based tool at <https://www.colorado.gov/pacific/hcpf/primary-care-payment-reform-3> that PCMPs can use to determine the APM rate for each procedure code in the APM Code Set using the PCMP's quality modifier.

**Telemedicine Services**

*Distant Site Transmission Fee:* Physician services provided via telemedicine by physicians, podiatrists, and optometrists located at eligible distant sites shall be reimbursed a distant site transmission fee of \$5.00 in addition to the fee for the procedure code billed.

*Originating Site Facility Fee:* Eligible originating sites hosting, transmitting, or facilitating physician services provided via telemedicine shall be reimbursed an originating site facility fee, according to the Department's fee schedule. An originating site may not bill for assisting the distant site provider with an examination.

*Asynchronous Electronic Consultation:* To be reimbursed for asynchronous electronic consultation, primary care medical providers (PCMPs) must use HCPCS code T1014, and specialists must use CPT code 99446.

Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The rates are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page.